

Addressing Regional Housing Needs

Overview of RHNA
Methodology, Requirements,
and Policy Decisions

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Project Manager
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Goals of RHNA

- **Compliance** with the law including housing statute objectives:
 - Increasing the housing supply and the mix of housing types, tenure, and affordability in an equitable manner
 - Promoting infill development and socioeconomic equity
 - Promoting an improved intraregional relationship between jobs and housing
 - Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share compared to the countywide distribution

Goals of RHNA

- **Accuracy** of the projections
- **Consensus** of results on a uniform basis
- **Fairness** of the process, allocation and assessment
- **Transparency** so results are clear
- **Link** transportation and housing planning

What not to consider

Factors **Not** to
Consider in
Allocating
Shares of
Regional
Housing Needs

- **Certain Growth Controls**
- **Existing General Plan and Current Zoning**

Existing Housing Problem Indicators



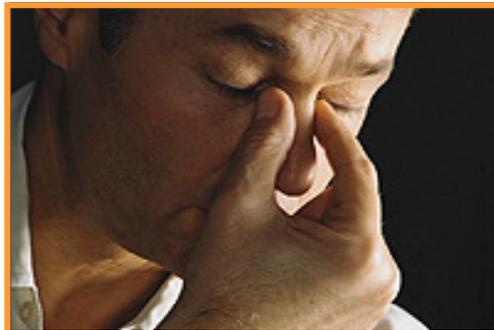
Homelessness



Overcrowding



**Substandard
Housing**



**Overpaying
Households**

Defining Need & Diversity Goals

**Current Income Distribution
of a Community**



**Proportions of Lower
Income Households**



**Fair Share Adjustment for
Impaction Avoidance**



**Affordable Housing Goals
by Income Category**

Construction Needs

2005 -2014

The Calculation

Employment and
Population Growth



Population, Aging,
Ethnicity, and Growth



Household Formation



Tenure Choice
(rent or own)



Expected
Household
Growth by Tenure

Replacement of
Units Lost



Correction for
Desired Vacancies



Adjustment of
Housing Stock



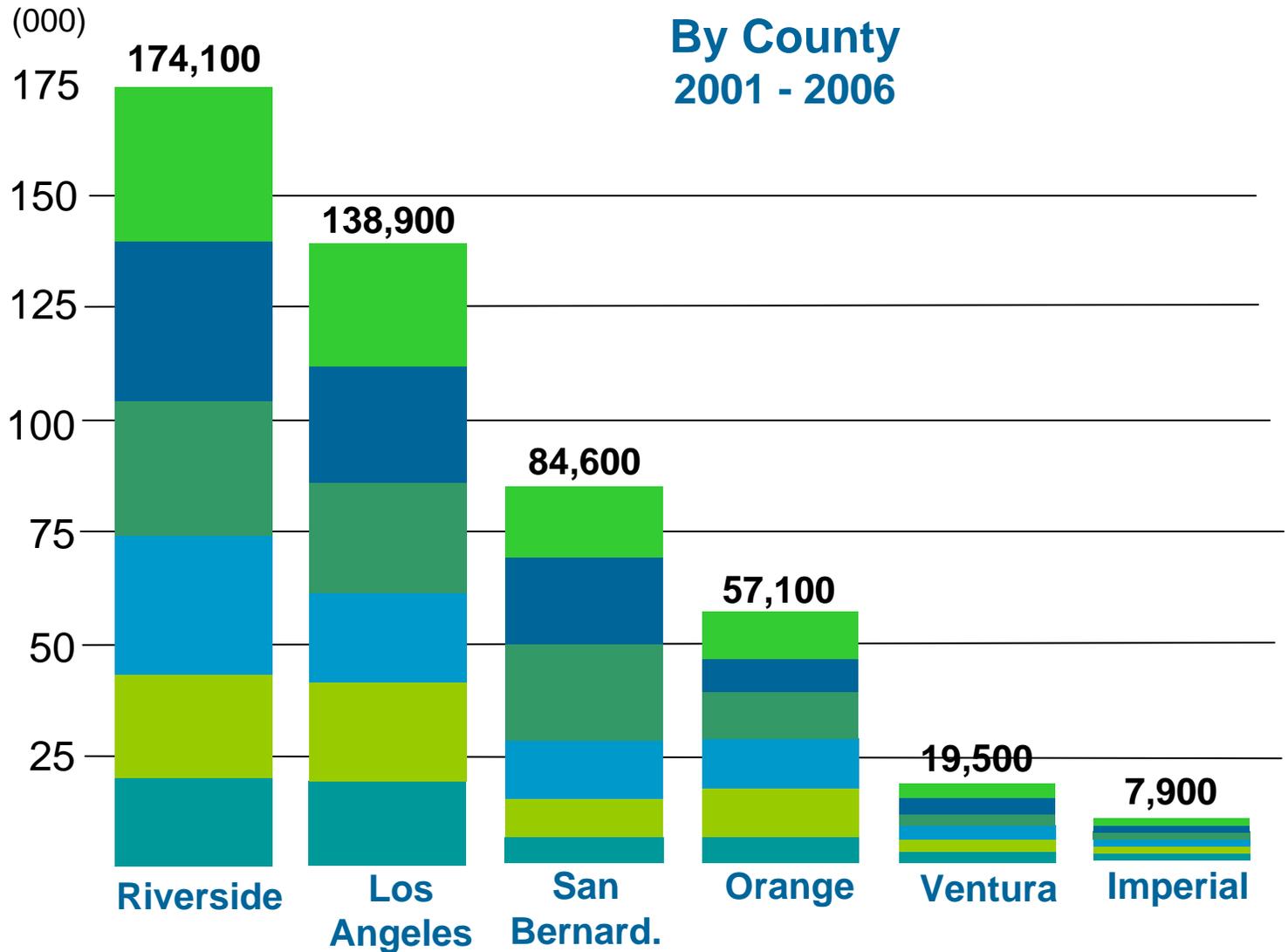
Construction
Needs

Building Permits

By County
2001 - 2006

Six-Year Annual Average: 81,000

YEAR	In Thousands
2006	95,000
2005	91,000
2004	93,400
2003	78,500
2002	68,200
2001	58,600



Long Range Forecast

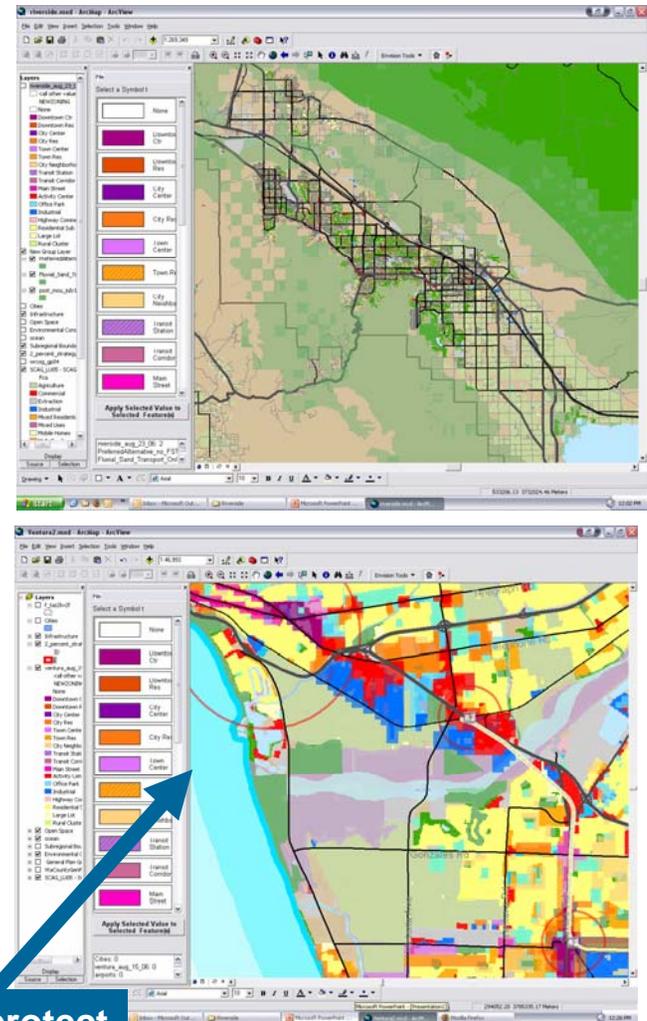
<u>Period</u>	<u>Units/Year</u>
2005-2014	83,000
2015-2030	80,000
2030-2035	67,000

Long Range Housing Forecast Based on Population and Employment Growth

Use of AB 2158 Planning Factors

Factors include:

- Lands preserved under existing federal and state programs, county policies to preserve agricultural land.
- Distribution of growth assumed for a regional transportation plans.
- The market demand for housing.
- County policies to preserve prime agricultural land within unincorporated areas.
- The loss of units contained in assisted housing developments.



Use of GIS to map and protect agricultural, open space, etc

Use of AB 2158 Planning Factors

- Jobs-housing balance
- Lack of sewer or water service due to federal and state laws, regulations or regulatory actions, or supply and distribution decisions
- Availability of land suitable for urban development or for conversion to residential use
- County policies to preserve agriculture
- Housing cost burdens
- Needs of farm workers
- University and college dormitory construction
- Other considerations as adopted by SCAG.

Factors and use of integrated growth forecast at a regional level define a longer term approach to housing planning

Distribution Guidance

- 1. Application of AB 2158 factors must not reduce overall need or need by income category**
- 2. AB 2158 factors are the basis for determining development suitability between jurisdictions**
- 3. AB 2158 factors are the basis for appeals**
- 4. Alternative distributions may be proposed**
- 5. Trade and transfer may occur between localities and subregions**
- 6. Incentives to accept more than minimum**

Clarification

Need Assessment

Population in households

- Household growth
- Optimal effective vacancy rates by tenure
- Normal replacement rates
- Income group needs allocated across jurisdictions

Growth Forecast

Total Population

- Household growth
- Total vacancy need based on past trends
- Building type breakdown

Household growth is the key determinate in both approaches

Calculation

Going from Household Growth to Construction Need

2005-2014 Household Growth	684,000*
Vacant Units Need (3.5%)	19,000
Replacement Need <small>100% of DOF Demolition Permits</small>	<u>29,000</u>
Preliminary Draft Housing Construction Need	733,000
Annual Construction Need	81,000

*SCAG 2007 Draft RTP Integrated Growth Forecast

Income Distribution

SCAG REGION 2000

	Households	Percent
Very Low	1,280,044	24%
Low	874,538	16%
Moderate	971,168	18%
Above Moderate	2,265,239	42%
TOTAL	5,390,989	100%

Diversity Goals

2005 - 2014

	Total Construction Need (9 Years)	Annual Construction Need	Housing Goal
Very Low	176,000	20,000	24%
Low	117,000	13,000	16%
Moderate	132,000	15,000	18%
Above Moderate	308,000	33,000	42%
TOTAL	733,000	81,000	100%

Key Policy Issues

- 1. Recommend a Fair Share Policy to avoid over concentration of households by income group**
 - 110% of the Way Policy toward equivalency with the County income group distribution

- 2. Guidance on how to consider AB 2158 factors in the distribution of housing need**
 - Housing Cost – Adopt a higher future need effective vacancy rate in non-impacted localities (3.5% vs. census vacancy rate)
 - Loss of Assisted Units – Provide units at risk data
 - Farm Worker Needs – Provide data

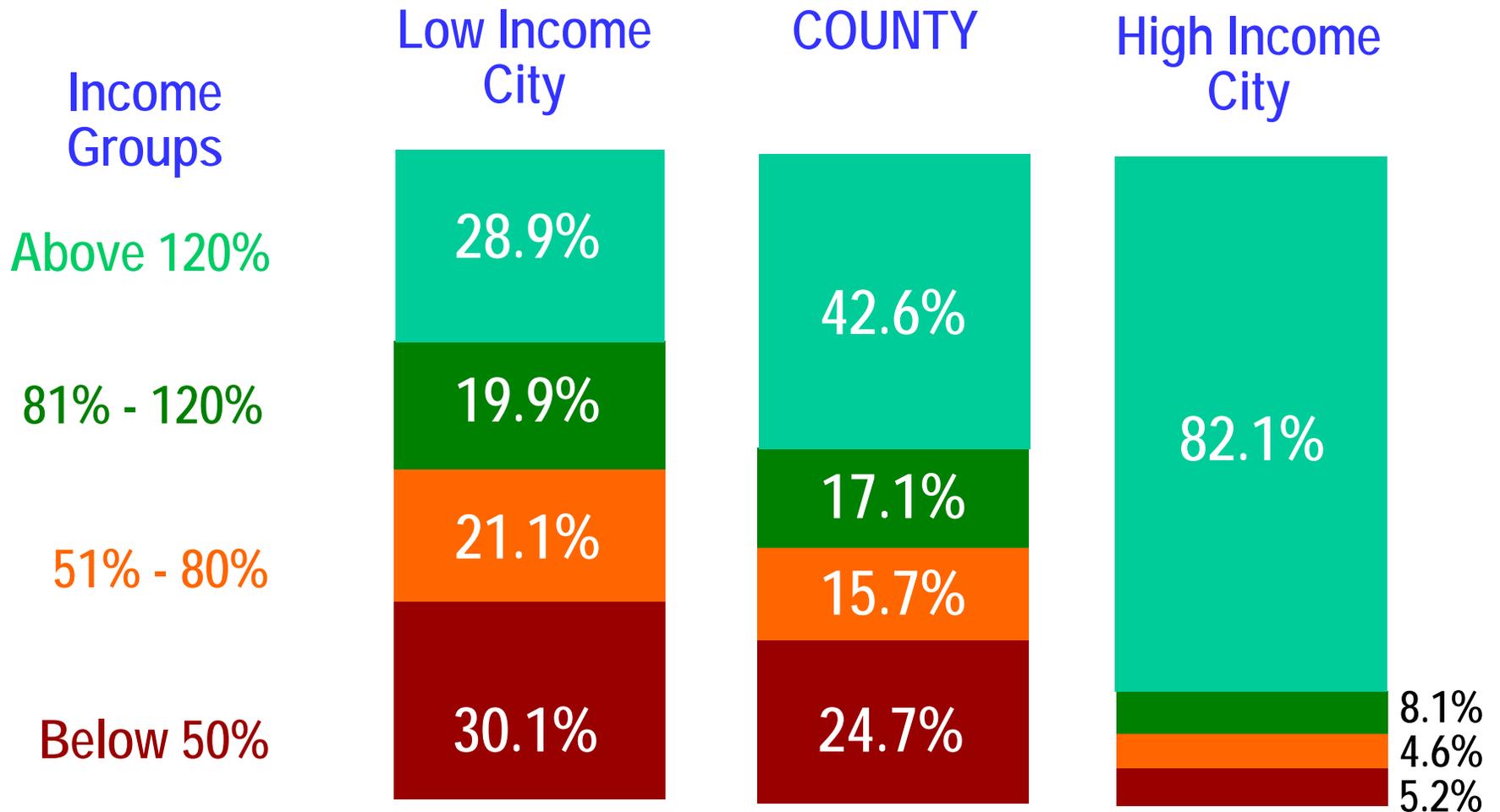
Key Policy Issues

- 3. Appeals policy to guide alternative distributions, trade and transfer and redistribution of appealed units adopted by Regional Council, January 2007**

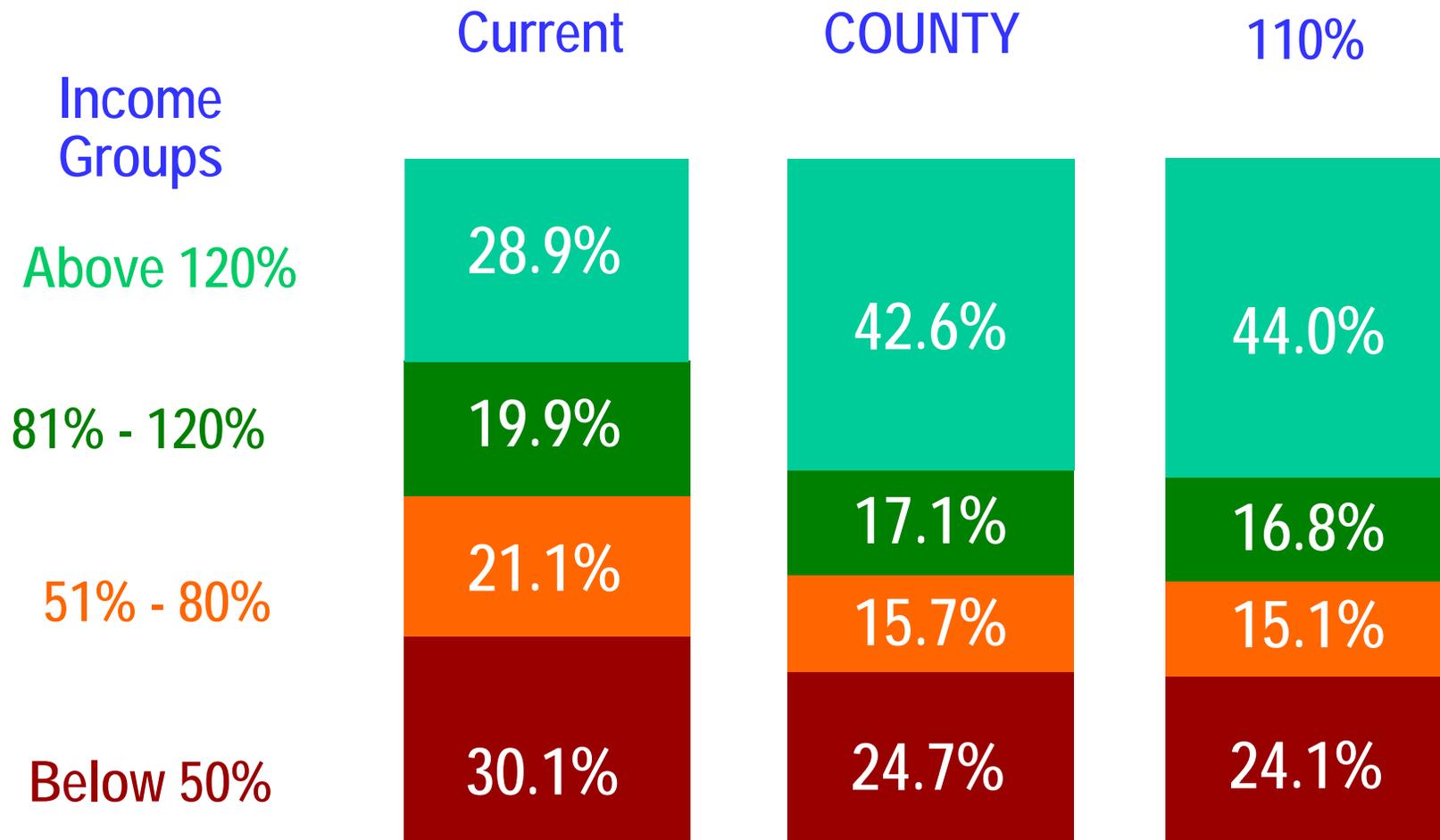
Fair Share Guidance

- **Allocation of a lower proportion of need by income category when the proportion exceeds the county average**
- **The housing statute calls for the allocation methodology to avoid or mitigate the over concentration of very low and low income groups**

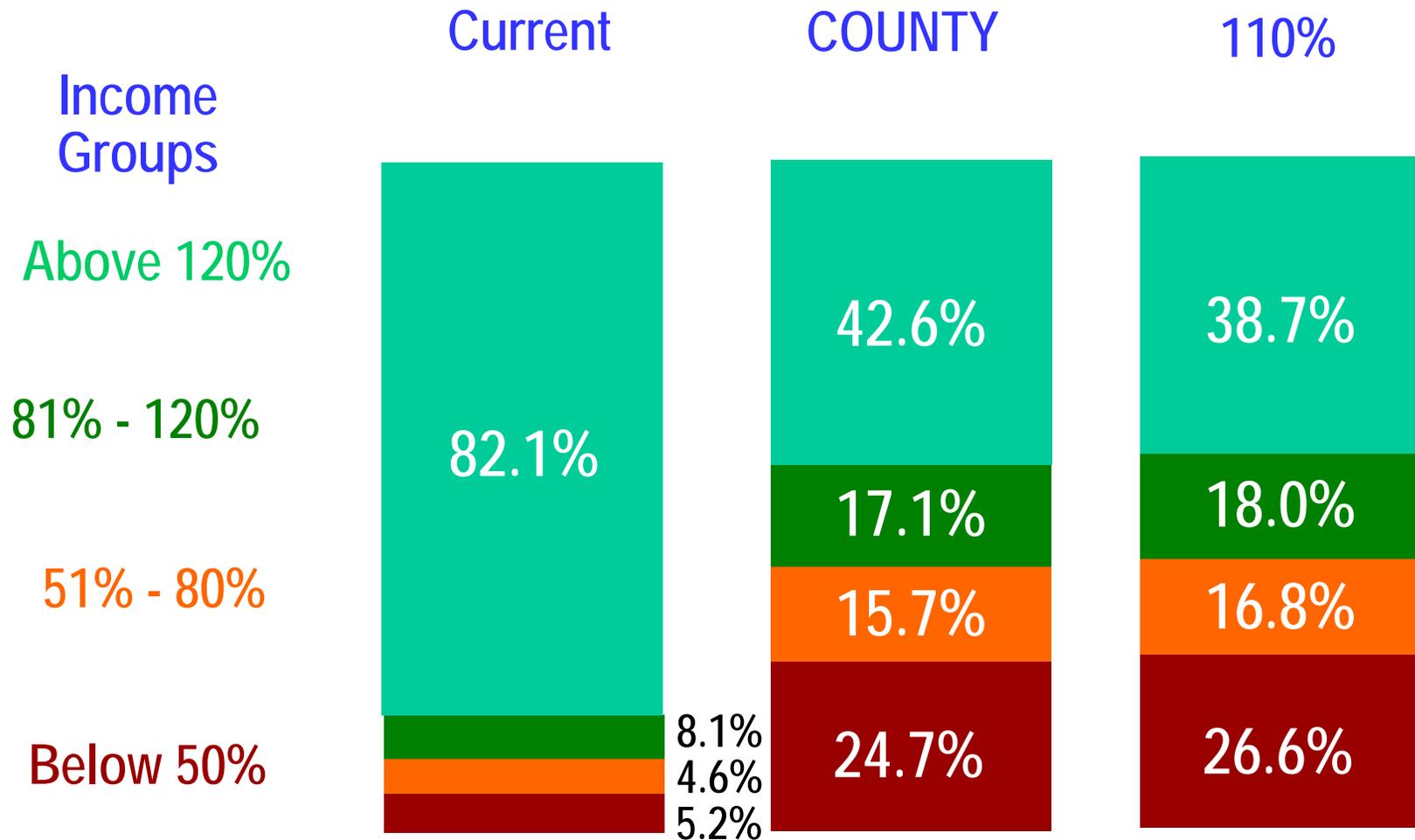
Distribution of Households Relative to Median HH Income



Low Income City Moving 110% Toward County



High Income City Moving 110% Toward County



HCD Determination of Statewide Share of Housing Need

State HCD's determination of regional housing need for the SCAG region*

- Revised base year of Jan. 1, 2006
- 8.5 year official planning period
- Diversity goals for income categories
- 6-month gap period between
7/1/05 -12/31/05
- Range of housing unit need
687,000 - 733,000

*Letter dated 11/30/06

Urgency Legislation

SB 12 (Lowenthal) RHNA Pilot Program

- **Integrated growth forecast**
- **Enhanced public input and survey process**
- **Streamlined process and shorter timeframe**
- **More flexible for the SCAG region**
- **One appeal**

Milestones

■ January 11, 2007	Final methodology public hearing
■ January 18, 2007	Draft Regional Housing Allocation Plan distributed after adjustments from local input
■ January 31, 2007	Deadline for delegation agreements
■ February 1, 2007	Approval and official release of Final Methodology and Draft Allocation Plan by CEHD and RC
■ February 15, 2007 ■ March 16, 2007	Appeals filing period opens Appeals filing period closes
■ March 30, 2007	Status Report on RHNA Pilot Program due to HCD
■ April 25- 30, 2007	Appeal Hearings Held
■ May 10, 2007	End of appeals process with decisions by Appeals Board rendered
■ July 5, 2007	Final RHNA Adoption

Review of Comments Received

- **Local input received:**
 - Taped public testimony from public workshops
 - Written communication from jurisdictions and stakeholders
 - Briefings with local jurisdictions
 - Subregional input
 - AB 2158 forms submitted after subregional workshops
 - Inquiries received via phone and email

Acknowledgement of Comments Received and Revisions

All comments received by **January 16th** will be collectively reviewed by SCAG prior to the distribution of the draft allocation plan. However, comments will be accepted up to Regional Council action on February 1st.

After the **February 1st** RC action, requested changes must be made through the Appeals or Alternative Distribution Process.

- RHNA web link on the SCAG home page - <http://www.scag.ca.gov>
- Call us...Ma'Ayn Johnson 213.236.1975
- Email...Johnson@scag.ca.gov
- Written comments accepted up to adoption of final RHNA methodology:

Send to:

Ma'Ayn Johnson

SCAG/ Regional Housing Needs Assessment

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Los Angeles, CA 90017

Thank You